UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 2)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2018

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to ___________

Commission File Number: **000-55898**

SSB Bancorp, Inc.
(Exact Name of Registrant as Specified in its Charter)

Maryland	**82-2776224**
(State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification Number)
8700 Perry Highway, Pittsburgh, Pennsylvania	**15237**
(Address of principal executive offices)	(Zip code)

(412) 837-6955
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	(Trading symbol(s))	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, par value $0.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [X] Smaller reporting company [X]
Emerging growth company [X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

As of June 30, 2018, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant was $7,465,872.

As of June 25, 2019, there were 2,248,250 outstanding shares of the registrant’s common stock, of which 1,236,538 shares are owned by SSB Bancorp, MHC.

EXPLANATORY NOTE

SSB Bancorp, Inc. (the "Company") is the stock holding company for SSB Bank. On March 29, 2019, the Company filed its Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the "Original Filing"). On May 21, 2019, the Company filed a Form 10-K/A (Amendment No. 1) for the fiscal year ended December 31, 2018 (the "First Amendment"). The tabular information contained in Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) under the section captioned "Revision of Prior Period Financial Statements" in both the Original Filing and the First Amendment reflected financial information for SSB Bank only. The sole purpose of this Form 10-K/A (Amendment No. 2) is revise such tabular information to present consolidated financial information for the Company.

PART II

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion and analysis reflects our consolidated financial statements and other relevant statistical data and is intended to enhance your understanding of our financial condition and results of operations. The information in this section has been derived from the consolidated financial statements, which appear elsewhere in this annual report. You should read the information in this section in conjunction with the other business and financial information provided in this annual report.

Overview

Our business consists primarily of making loans to real estate investors, businesses and consumers. We also invest in securities, which consist of Federal Home Loan Bank of Pittsburgh stock, mortgage-backed securities issued by U.S. government-sponsored entities, corporate bonds, tax-exempt municipal bonds, and U.S. Treasury notes. We also have a mortgage banking operation that generates one- to four-family residential mortgage loans through three mortgage loan originators and three correspondent mortgage banks. Such residential mortgage loans are originated both for sale in the secondary market and for retention in our portfolio. However, the origination of loans for sale became a larger focus for us at the beginning of 2017. We continue to rely less on correspondent banks for loan originations, focusing instead on self-generated originations.

We offer a variety of deposit accounts, including checking accounts, savings and money market accounts, and time deposits. We also utilize advances from the Federal Home Loan Bank of Pittsburgh for liquidity and for asset/liability management purposes.

We also offer various merchant services to businesses, consisting of multiple credit card processing solutions and other ancillary services such as Internet banking. These services are offered through a third-party partner.

Our results of operations rely heavily on net interest income, which is the difference between interest earned on interest-earning assets and interest expense on interest-bearing liabilities. The results of operations are also affected by non-interest income, non-interest expenses, and the provision for loan losses. Primary sources of non-interest income are gains on the sale of loans, earnings on bank-owned life insurance, and loan servicing fees. Primary non-interest expenses are personnel costs, occupancy, professional fees, federal deposit insurance premiums, and data processing.

Our financial condition and results of operations may also be affected by general and local economic and competitive conditions, changes in market interest rates, governmental policies, and actions of financial regulatory authorities.

Business Strategy

Our business strategy is to use our capital to both serve our community and maintain a profitable community savings bank. Our goals have been to grow our core deposit base, effectively manage our cost of funds, and develop strong business relationships with our customers. Our mortgage banking operations continue to generate gains on loan sales and servicing fee income. We continue to expand our base for non-interest income and have begun marketing our commercial loans as well.

Our current business strategy consists of the following:

- ***Continue to grow our core deposit base.*** Deposits have been and continue to be our primary source of funds for lending. Historically, we relied on time deposits as a source of funds, we remain focused on increasing core deposits. We consider savings, checking, money market, and commercial deposits to be core deposits. Core deposits are the funding source that is least costly and least sensitive to interest rate fluctuations. Core deposits also help us maintain loan-to-deposit ratios at levels consistent with regulatory expectations. Continuing to focus on relationship growth will increase our deposit portfolio with new and existing customers. We also continue to improve and invest in technologies, such as remote check capture and mobile & on-line banking that will help to attract core deposits.

- ***Increase income streams by developing and offering innovative products to help our customers' meet their financial goals.*** We continue to strive to make the financial independence of our customers and our communities one of the pillars of our core values. In 2018 we initiated a credit card program, which will be fully operational in the first quarter of 2019, we continue to market special CD & money market rates, and continue to offer ATM fee reimbursement along with all checking account products. While some of these offerings create a tangible cost, the intangible value to the bank and appreciation from our customers is incalculable. Relationship banking is our goal and the more products we are able to offer our customers will broaden the available avenues for income growth.

- ***Manage credit risk to maintain a low level of non-performing assets.*** Strong asset quality is a key to the long-term financial success of any bank. Our credit risk management strategy focuses on well-defined credit and investment policies and procedures that we believe promote conservative lending and investment practices, conservative loan underwriting criteria and active credit monitoring. In 2018 we made changes to our commercial lending department, which will ensure adequate oversight and consistent credit underwriting. We continue to look for areas to improve the balance in portfolio management and lending growth.

- ***Manage interest rate risk.*** Interest rate risk management is central to our budgeting, liquidity, and asset management. Our focus has shifted to managing our commercial and consumer credit portfolios, with conservative lending growth, competitive interest rates, and reasonable closing costs. The commercial lending department has started marketing saleable loans to the market in an effort to free up space for more competitive opportunities in terms of interest rate and credit quality. The consumer lending department continues to sell fixed rate residential mortgage loans into the secondary market, which helps mitigate and manage interest rate risk.

Summary of Critical Accounting Policies and Estimates

A summary of our accounting policies is described in Note 1 to the financial statements. Critical accounting estimates are necessary in the application of certain accounting policies and procedures and are particularly susceptible to significant change. Critical accounting policies are defined as those involving significant judgments and assumptions by management that could have a material impact on the carrying value of certain assets or on income under different assumptions or conditions.

The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for qualifying public companies. As an emerging growth company, we may elect to delay adoption of new or revised financial accounting standards until such date that the standards are required to be adopted by non-issuer (private) companies. If such standards would not apply to non-issuer companies, no deferral would be applicable. Such an election is irrevocable during the period that a company is an emerging growth company. We have elected to take advantage of the benefits of extended transition periods. Accordingly, our financial statements may not be comparable to those of public companies that adopt new or revised financial accounting standards as of an earlier date.

Management believes the accounting policies discussed below to be the most critical accounting policies, which involve the most complex or subjective decisions or assessments.

Allowance for Loan Losses. The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes that specific loans, or portions of loans, are uncollectible. The allowance for loan losses is evaluated on a regular basis, and at least quarterly, by management. Management reviews the nature and volume of the loan portfolio, local and national conditions that may adversely affect the borrower's ability to repay, loss experience, the estimated value of any underlying collateral, and other relevant factors. The evaluation of the allowance for loan losses is characteristically subjective as estimates are required that are subject to continual change as more information becomes available.

The allowance consists of general and specific reserve components. The specific reserves are related to loans that are considered impaired. Loans that are classified as impaired are measured in accordance with applicable accounting guidance. The general reserve is allocated for non-impaired loans and includes evaluation of changes in the trend and volume of delinquency, our internal risk rating process and external conditions that may affect credit quality.

A loan is considered impaired when, based on current information and events, it is probable that we will be unable to collect the scheduled principal and interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status and the financial condition of the borrower. Loans that experience payment shortfalls and insignificant payment delays are typically not considered impaired. Management looks at each loan individually and considers all the circumstances around the shortfall or delay including the borrower's prior payment history, borrower contact regarding the reason for the delay or shortfall and the amount of the shortfall. Collateral dependent loans are measured against the fair value of the collateral, while other loans are measured by the present value of expected future cash flows discounted at the loan's effective interest rate.

From time to time, we may choose to restructure the contractual terms of certain loans at the borrower's request. We review all scenarios to determine the best payment structure with the borrower to improve the likelihood of repayment. Management reviews modified loans to determine if the loan should be classified as a trouble debt restructuring. A trouble debt restructuring is when a creditor, for economic or legal reasons related to a debtor's financial difficulties, grants a concession to the borrower that it would not otherwise consider. Management considers the borrower's ability to repay when a request to modify existing loan terms is presented. A transfer of assets to repay the loan balance, a modification of loan terms or a combination of these may occur. If an appropriate arrangement cannot be made, the loan is referred to legal counsel, at which time foreclosure will begin. If a loan is accruing at the time of restructuring, we review the loan to determine if it should be placed on non-accrual. It is our policy to keep a troubled debt restructured loan on non-accrual status for at least six months to ensure the borrower can repay, at that time management may consider its return to accrual status.

Troubled debt restructured loans are considered to be impaired loans.

Income Taxes. We account for income taxes in accordance with accounting guidance (ASC 740, Income Taxes). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. U.S. GAAP requires that we use the Balance Sheet Method to determine the deferred income, which affects the differences between the book and tax bases of assets and liabilities, and any changes in tax rates and laws are recognized in the period of enactment. Deferred taxes are based on a valuation model and the determination on a quarterly basis whether all or a portion of the deferred tax asset will be recognized.

Fair Value Measurements. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. We estimate the fair value of a financial instrument and any related asset impairment using a variety of valuation methods. Where financial instruments are actively traded and have quoted market prices, quoted market prices are used for fair value. When the financial instruments are not actively traded, other observable market inputs, such as quoted prices of securities with similar characteristics, may be used, if available, to determine fair value. When observable market prices do not exist, we estimate fair value. These estimates are subjective in nature and imprecision in estimating these factors can impact the amount of revenue or loss recorded. A more detailed description of the fair values measured at each level of the fair value hierarchy and the methodology we utilize can be found in Note 16 of the financial statements.

Investment Securities. Available for sale and held to maturity securities are reviewed quarterly for possible other-than-temporary impairment. The review includes an analysis of the facts and circumstances of each individual investment such as the severity of loss, the length of time the fair value has been below cost, the expectation for that security's performance, the creditworthiness of the issuer and our intent and ability to hold the security to recovery. A decline in value that is considered to be other-than-temporary is recorded as a loss within non-interest income in the statements of net income. At December 31, 2018, we believe the unrealized losses are primarily a result of increases in market yields from the time of purchase. In general, as market yields rise, the fair value of securities will decrease; as market yields fall, the fair value of securities will increase. Management generally views changes in fair value caused by changes in interest rates as temporary; therefore, these securities have not been classified as other-than-temporarily impaired. Management has also concluded that based on current information we expect to continue to receive scheduled interest payments as well as the entire principal balance. Furthermore, management does not intend to sell these securities and does not believe it will be required to sell these securities before they recover in value.

Loan Portfolio

General. Loans are our primary interest-earning asset. At December 31, 2018, net loans represented 84.0% of our total assets.

Loan Portfolio Analysis. The following table sets forth the composition of our loan portfolio by type of loan at the dates indicated.

	At December 31,			
	2018		2017	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Mortgage Loans:				
One-to-four family	$ 75,521	47.32%	$ 75,858	53.63%
Commercial	59,494	37.28	50,122	35.43
	135,015	84.60	125,980	89.06
Commercial and industrial	19,167	12.01	11,456	8.10
Consumer	5,404	3.39	4,014	2.84
	159,586	100.00%	141,450	100.00%
Third-party loan acquisition and other net origination costs	268		386	
Discount on loans previously held for sale	(199)		(220)	
Allowance for loan losses	(1,125)		(1,041)	
Total	$ 158,530		$ 140,575	

Loan Maturity. The following tables set forth certain information at December 31, 2018 and December 31, 2017 regarding the dollar amount of loan principal repayments becoming due during the periods indicated. The tables do not include any estimate of prepayments that may significantly shorten the average loan life and may cause actual repayment experience to differ from that shown below. Demand loans, which are loans having no stated repayment schedule or no stated maturity, are reported as due in one year or less.

	December 31, 2018				
	One-to-Four Family Mortgage Loans	Commercial Mortgage Loans	Commercial and Industrial Loans	Consumer Loans	Total Loans
	(In thousands)				
Amounts due in:					
1 year or less	$ 6,252	$ 5,309	$ 9,399	$ 83	$ 21,043
More than 1 year through 2 years	7	3,056	182	68	3,313
More than 2 years through 3 years	777	6,244	2,291	187	9,499
More than 3 years through 5 years	2,292	22,266	4,723	1,308	30,589
More than 5 years through 10 years	4,526	16,043	2,514	977	24,060
More than 10 years through 15 years	7,594	5,591	58	2,016	15,259
More than 15 years	54,073	985	-	765	55,823
Total	$ 75,521	$ 59,494	$ 19,167	$ 5,404	$ 159,586

	December 31, 2017				
	One-to-Four Family Mortgage Loans	Commercial Mortgage Loans	Commercial and Industrial Loans	Consumer Loans	Total Loans
	(In thousands)				
Amounts due in:					
1 year or less	$ 6,746	$ 4,023	$ 4,341	$ 75	$ 15,185
More than 1 year through 2 years	7	1,040	323	112	1,482
More than 2 years through 3 years	19	3,338	704	156	4,217
More than 3 years through 5 years	1,276	18,200	2,660	1,026	23,162
More than 5 years through 10 years	5,456	16,106	3,356	1,461	26,379
More than 10 years through 15 years	7,365	5,308	72	1,102	13,847
More than 15 years	54,989	2,107	-	82	57,178
Total	$ 75,858	$ 50,122	$ 11,456	$ 4,014	$ 141,450

The following tables sets forth the dollar amount of all loans at December 31, 2018 that are due after December 31, 2019 and have either fixed interest rates or floating or adjustable interest rates. The amounts shown below exclude third-party loan and other net origination costs and the discount on loans previously held for sale.

	December 31, 2018		
	Fixed Rates	Floating or Adjustable Rates	Total
	(In thousands)		
One-to-four family mortgage loans	$ 63,494	$ 5,775	$ 69,269
Commercial mortgage loans	53,886	299	54,185
Commercial and industrial loans	9,705	63	9,768
Consumer loans and HELOC	1,764	3,557	5,321
Total	**$ 128,849**	**$ 9,694**	**$ 138,543**

Loan Originations, Purchases and Sales. The following table sets forth our loan origination, purchase and sale activity for the years indicated.

	Year Ended December 31,	
	2018	2017
	(In thousands)	
Total loans at beginning of period	$ 141,450	$ 104,162
Loans originated:		
One-to-four family mortgage loans	18,565	17,309
Commercial mortgage loans	1,738	23,214
Construction loans	8,971	6,400
Multi-family loans	10,270	1,633
Commercial and industrial loans	9,899	4,320
Consumer loans	3,714	1,403
Total loans originated	53,157	54,279
Loans purchased:		
One-to-four family mortgage loans	3,939	6,728
Commercial mortgage loans	-	-
Construction loans	1,902	5,485
Consumer loans	-	-
Total loans purchased	5,841	12,213
Additions:		
Loans held for sale transferred to loans held for investment	-	12,556
Less:		
Loan principal repayments	31,179	20,253
Loan sales	9,683	21,507
Loans transferred to held for sale	-	-
Net loan activity	18,136	37,288
Total loans at end of period	$ 159,586	$ 141,450

Asset Quality

Credit Risk Management. Management of asset quality is accomplished by internal controls, monitoring and reporting of key risk indicators, and both internal and independent third-party loan reviews. The primary objective of our loan review process is to measure borrower performance and assess risk for the purpose of identifying loan weakness in order to minimize loan loss exposure. From the time of loan origination through final repayment, commercial real estate and commercial business loans are assigned a risk rating based on pre-determined criteria and levels of risk. The risk rating is monitored annually for most loans; however, it may change during the life of the loan as appropriate.

Delinquency Procedures. When a borrower fails to make a required loan payment, we take a number of steps to have the borrower cure the delinquency and restore the loan to current status, including contacting the borrower by letter and phone at regular intervals. When the borrower is in default, we may commence collection proceedings. If a foreclosure action is instituted and the loan is not brought current, paid in full, or refinanced before the foreclosure sale, the real property securing the loan may be sold at foreclosure.

Delinquent Loans. The following tables set forth our loan delinquencies, including non-accrual loans, by type and amount at the dates indicated.

	At December 31, 2018						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	Total Loans Receivable	90 Days or Greater Still Accruing
	(In thousands)						
Mortgage loans:							
One-to-four family	$ 305	$ 625	$ 1,701	$ 2,631	$ 72,890	$ 75,521	$ -
Commercial	-	-	1,094	1,094	58,400	59,494	-
Commercial and Industrial	-	-	156	156	19,011	19,167	-
Consumer	-	-	1	1	5,403	5,404	-
Total	$ 305	$ 625	$ 2,952	$ 3,882	$ 155,704	$ 159,586	$ -

	At December 31, 2017						
	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	Total Loans Receivable	90 Days or Greater Still Accruing
	(In thousands)						
Mortgage loans:							
One-to-four family	$ 982	$ 400	$ 1,900	$ 3,282	$ 72,576	$ 75,858	$ -
Commercial	656	-	1,123	1,779	48,343	50,122	-
Commercial and Industrial	302	-	8	310	11,146	11,456	-
Consumer	1	14	29	44	3,970	4,014	-
Total	$ 1,941	$ 414	$ 3,060	$ 5,415	$ 136,034	$ 141,450	$ -

Non-performing Assets. Non-performing assets include loans that are 90 or more days past due or on non-accrual status, including troubled debt restructurings on non-accrual status, and real estate and other loan collateral acquired through foreclosure and repossession. Troubled debt restructurings include loans where management has granted a concession from the original terms to a borrower that is experiencing financial difficulties. Loans 90 days or greater past due may remain on an accrual basis if adequately collateralized and in the process of collection. For non-accrual loans, interest previously accrued but not collected is reversed and charged against income at the time a loan is placed on non-accrual status. Loans generally are returned to accrual status when the borrower has become current and has demonstrated continued ability to service the loan.

Real estate that we acquire as a result of foreclosure or by deed-in-lieu of foreclosure is classified as foreclosed real estate until it is sold. When property is acquired, it is initially recorded at the fair value less costs to sell at the date of foreclosure, establishing a new cost basis. Holding costs and declines in fair value after acquisition of the property result in charges against income.

The following table sets forth information regarding our non-performing assets at the dates indicated.

	At December 31,	
	2018	2017
	(Dollars in thousands)	
Non-accrual loans:		
One-to-four family mortgage loans	$ 2,302	$ 2,108
Commercial mortgage loans	1,094	1,123
Commercial and industrial loans	156	8
Consumer loans	1	29
Total	3,553	3,268
Accruing loans past due 90 days or more:		
One-to-four family mortgage loans	-	-
Commercial and industrial loans	-	-
Consumer loans	-	-
Total	-	-
Total non-performing loans	3,553	3,268
Other real estate owned	138	60
Total non-performing assets	$ 3,691	$ 3,328
Troubled debt restructurings (accruing):		
One-to-four family mortgage loans	$ 51	$ 310
Commercial mortgage loans	674	-
Total troubled debt restructurings (accruing)	$ 725	$ 310
Total troubled debt restructurings (accruing) and total non-performing assets	$ 4,416	$ 3,638
Total non-performing loans to gross loans	2.23%	2.31%
Total non-performing loans to total assets	1.88%	1.90%
Total non-performing assets to total assets	1.96%	1.93%
Total non-performing assets and troubled debt restructurings (accruing) to total assets	2.34%	2.12%

The cumulative amount of interest income not recognized on non-accrual loans for the years ended December 31, 2018 and December 31, 2017 was $357,000 and $278,000 respectively. For the years ended December 31, 2018 and 2017, interest income was negatively impacted by $79,000 and $55,000, respectively, as a result of nonaccrual loans not performing in accordance with their original terms. Interest income was minimally impacted by accruing troubled debt restructurings for the years ended December 31, 2018 and 2017 with the exception of the recognition of $95,000, related to recoveries of interest from prior periods in 2017.

Potential Problem Loans. Certain loans are identified during our loan review process that are currently performing according to their contractual terms and we expect to receive payment in full of principal and interest, but it is deemed probable that we will be unable to collect all the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. This may result from deteriorating conditions such as cash flows, collateral values or creditworthiness of the borrower. These loans are classified as impaired but are not accounted for on a non-accrual basis.

Other potential problem loans are those loans that are currently performing, but where known information about possible credit problems of the borrowers causes us to have concerns as to the ability of such borrowers to comply with contractual loan repayment terms. At December 31, 2018, there were no other potential problem loans.

Classified Assets. The following table sets forth information regarding our classified assets, as defined under applicable regulatory standards, and our special mention assets at the dates indicated.

	At December 31,	
	2018	2017
	(In thousands)	
Special mention	$ 3,982	$ 255
Substandard (1)	4,180	3,260
Ending Balance	$ 8,162	$ 3,515

(1) Includes one- to four-family residential real estate loans on nonaccrual status of $2.3 million and $2.1 million at December 31, 2018 and 2017, respectively, as well as consumer loans on nonaccrual status of $1,000 and $29,000 at December 31, 2018 and 2017, respectively.

Allowance for Loan Losses. The allowance for loan losses is maintained at levels considered adequate by management to provide for probable incurred loan losses inherent in the loan portfolio at the balance sheet reporting dates. The allowance for loan losses is based on management's assessment of various factors affecting the loan portfolio, including portfolio composition, delinquent and non-accrual loans, national and local business conditions and loss experience and an overall evaluation of the quality of the underlying collateral.

The following table sets forth activity in our allowance for loan losses for the years indicated.

	2018	2017
	(Dollars in thousands)	
Allowance for loan losses at beginning of period	$ 1,041	$ 821
Provision for loan losses	150	247
Charge-offs:		
One-to-four family mortgage loans	(16)	-
Commercial mortgage loans	-	-
Commercial and industrial loans	(9)	-
Consumer loans	(41)	(27)
Total charge-offs	(66)	(27)
Recoveries:		
One-to-four family mortgage loans	-	-
Commercial mortgage loans	-	-
Commercial and industrial loans	-	-
Consumer loans	-	-
Total recoveries	-	-
Net (charge-offs) recoveries	(66)	(27)
Allowance for loan losses at end of period	$ 1,125	$ 1,041
Allowance for loan losses to non-performing loans at end of period	31.66%	31.85%
Allowance for loan losses to total loans outstanding at end of period	0.70%	0.74%
Net charge-offs to average loans outstanding during the period	0.04%	0.02%

Allocation of Allowance for Loan Losses. The following tables set forth the allowance for loan losses allocated by loan category. The allowance for loan losses allocated to each category is not necessarily indicative of future losses in any particular category and does not restrict the use of the allowance to absorb losses in other categories.

	December 31,					
	2018			2017		
	Amount	**Percent of Allowance to Total Allowance**	**Percent of Loans in Category to Total Loans**	**Amount**	**Percent of Allowance to Total Allowance**	**Percent of Loans in Category to Total Loans**
	(Dollars in thousands)					
One-to-four family mortgage loans	$ 422	38%	47%	$ 514	49%	54%
Commercial mortgage loans	394	35	37	383	37	35
Commercial and industrial loans	264	23	12	81	8	8
Consumer loans	45	4	4	63	6	3
Total	$ 1,125	100%	100%	$ 1,041	100%	100%

See Notes 2 and 7 to the financial statements for a complete discussion of the allowance for loan losses. Although we believe that we use the best information available to establish the allowance for loan losses, future adjustments to the allowance for loan losses may be necessary and our results of operations could be adversely affected if circumstances differ substantially from the assumptions used in making the determinations. Furthermore, while we believe we have established our allowance for loan losses in conformity with U.S. GAAP, there can be no assurance that regulators, in reviewing our loan portfolio, will not require us to increase our allowance for loan losses. In addition, because future events affecting borrowers and collateral cannot be predicted with certainty, there can be no assurance that the existing allowance for loan losses is adequate or that increases will not be necessary should the quality of any loans deteriorate as a result of the factors discussed above. Any material increase in the allowance for loan losses may adversely affect our financial condition and results of operations.

Securities Portfolio

The following table sets forth the amortized cost and estimated fair value of our securities portfolio at the dates indicated.

	December 31,			
	2018		2017	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)			
Securities held-to-maturity:				
Mortgage-backed securities in government-sponsored entities	$ 6	$ 6	$ 10	$ 9
Total	$ 6	$ 6	$ 10	$ 9
Securities available-for-sale:				
Mortgage-backed securities in government-sponsored entities	$ 3,883	$ 3,865	$ 525	$ 519
Obligations of state and political subdivisions	1,540	1,502	1,626	1,600
Corporate bonds	3,547	3,509	301	302
U.S. treasury securities	193	192	194	195
Total	$ 9,163	$ 9,068	$ 2,646	$ 2,616

At December 31, 2018 and 2017, we had no investments in a single issuer (other than securities issued by the U.S. government and government agency), which had an aggregate book value in excess of 10% of our stockholders' equity.

Securities Portfolio Maturities and Yields. The following table sets forth the stated maturities and weighted average yields of investment securities at December 31, 2018 and 2017. Weighted-average yields on tax-exempt securities are not presented on a tax equivalent basis. Certain mortgage-backed securities have adjustable interest rates and will reprice annually within the various maturity ranges. These repricing schedules are not reflected in the table below. Weighted average yield calculations on investment securities available for sale do not give effect to changes in fair value that are reflected as a component of equity.

December 31, 2018	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
	(Dollars in thousands)										
Securities held-to-maturity:											
Mortgage-backed securities in government-sponsored entities	$ -		$ 5	5.43%	$ 1	4.13%	$ -		$ 6	$ 6	5.12%
Total	$ -		$ 5	5.43%	$ 1	4.13%	$ -		$ 6	$ 6	5.12%
Securities available-for-sale:											
U.S. treasury securities	$ 193	2.49%	$ -		$ -		$ -		$ 193	$ 192	2.49%
Mortgage-backed securities in government-sponsored entities	$ -		$ -		$ 64	2.61%	$ 3,819	2.89%	3,883	3,865	2.89%
Obligations of state and political subdivisions	$ 30	2.02%	$ 575	1.90%	$ 935	2.29%	$ -		1,540	1,502	2.14%
Corporate bonds	$ 200	2.04%	$ 2,083	3.46%	$ 1,264	3.72%	$ -		3,547	3,509	3.47%
Total	$ 423	2.25%	$ 2,658	3.12%	$ 2,263	3.10%	$ 3,819	2.89%	$ 9,163	$ 9,068	2.98%

December 31, 2017	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total		
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Fair Value	Weighted Average Yield
	(Dollars in thousands)										
Securities held-to-maturity:											
Mortgage-backed securities in government-sponsored entities	$ -	-	$ 8	5.40%	$ 2	4.13%	$ -	-	$ 10	$ 9	5.17%
Total	$ -	-	$ 8	5.40%	$ 2	4.13%	$ -	-	$ 10	$ 9	5.17%
Securities available-for-sale:											
U.S. treasury securities	$ -		$ 194	3.13%	$ -		$ -		$ 194	$ 195	3.13%
Mortgage-backed securities in government-sponsored entities	-		-		91	4.50%	434	3.25%	525	519	3.48%
Obligations of state and political subdivisions	$ 85	3.69%	$ 606	2.03%	291	2.00%	644	2.57%	1,626	1,600	2.33%
Corporate bonds	-		301	2.34%	-	-	-	-	301	302	2.33%
Total	$ 85	3.69%	$ 1,101	2.31%	$ 382	2.59%	$ 1,078	2.84%	$ 2,646	$ 2,616	2.61%

Each reporting period, we evaluate all securities with a decline in fair value below the amortized cost of the investment to determine whether or not the impairment is deemed to be other-than-temporary. Other-than-temporary impairment ("OTTI") is required to be recognized if (1) we intend to sell the security; (2) it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis; or (3) for debt securities, the present value of expected cash flows is not sufficient to recover the entire amortized cost basis. For impaired debt securities that we intend to sell, or more likely than not will be required to sell, the full amount of the depreciation is recognized as OTTI, resulting in a realized loss that is a charged to earnings through a reduction in our non-interest income. For all other impaired debt securities, credit-related OTTI is recognized through earnings and non-credit related OTTI is recognized in other comprehensive income/loss, net of applicable taxes. We did not recognize any OTTI during the years ended December 31, 2018 and 2017.

Deposits

Deposits continue to be our primary source of funds for our lending and investment activities. The majority of our deposits are from depositors who reside in our primary market area. Deposits are attracted through the offering of a broad selection of deposit instruments for both individuals and businesses. The following table sets forth the distribution of total deposits by account type at the dates indicated.

	December 31,			
	2018		2017	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Non-interest bearing demand accounts	$ 5,699	4.19%	$ 441	0.33%
Interest-bearing demand accounts	8,386	6.16%	23,168	17.49%
Money market accounts	16,021	11.77%	14,598	11.02%
Savings accounts	12,884	9.47%	12,524	9.46%
Time deposit accounts	93,119	68.42%	81,699	61.69%
Total	$ 136,109		$ 132,430	

The following tables indicate the amount of jumbo certificates of deposit by time remaining until maturity at December 31, 2018 and 2017. Jumbo certificates of deposit require minimum deposits of $100,000.

Maturity Period	Amount
	(In thousands)
December 31, 2018:	
Three months or less	$ 4,766
Over three through six months	7,767
Over six through twelve months	15,865
Over twelve months	52,383
Total	$ 80,781
December 31, 2017:	
Three months or less	$ 2,249
Over three through six months	2,137
Over six through twelve months	7,662
Over twelve months	56,364
Total	$ 68,412

The following tables set forth time deposit accounts classified by rate and maturity at December 31, 2018 and December 31, 2017.

	December 31, 2018					
	Amount Due					
	Less Than One Year	More Than One Year to Two Years	More than Two Years to Three Years	More Than Three Years	Total	Percent of Total Time Deposit Accounts
	(Dollars in thousands)					
0.00 - 1.00%	$ 583	$ -	$ -	$ -	$ 583	0.63%
1.01 - 2.00%	18,345	9,527	8,186	2,171	38,229	41.05%
2.01 - 3.00%	12,334	7,931	1,840	21,623	43,728	46.96%
3.01 - 4.00%	-	3,275	1,989	5,315	10,579	11.36%
Total	$ 31,262	$ 20,733	$ 12,015	$ 29,109	$ 93,119	

	December 31, 2017					
	Amount Due					
	Less Than One Year	More Than One Year to Two Years	More than Two Years to Three Years	More Than Three Years	Total	Percent of Total Time Deposit Accounts
	Dollars in thousands)					
0.00 - 1.00%	$ 1,392	$ 177	$ -	$ -	$ 1,569	1.92%
1.01 - 2.00%	14,011	17,674	9,051	9,955	50,691	62.05%
2.01 - 3.00%	8	2,141	6,265	21,025	29,439	36.03%
Total	$ 15,411	$ 19,992	$ 15,316	$ 30,980	$ 81,699	

Borrowings

We use advances from the Federal Home Loan Bank of Pittsburgh to supplement our investable funds. At December 31, 2018, we had $91.9 million of available borrowing capacity with the Federal Home Loan Bank of Pittsburgh and $31.4 million in advances outstanding. The following table sets forth information concerning our borrowings at the dates and for the years indicated.

	Year Ended December 31,	
	2018	2017
	(Dollars in thousands)	
Maximum balance outstanding at any month-end during period:		
Federal Home Loan Bank advances	31,375	26,416
Average balance outstanding during period:		
Federal Home Loan Bank advances	28,355	25,531
Weighted average interest rate during period:		
Federal Home Loan Bank advances	2.47%	2.26%
Balance outstanding at end of period:		
Federal Home Loan Bank advances	31,375	26,416
Weighted average interest rate at end of period:		
Federal Home Loan Bank advances	2.70%	2.17%

Comparison of Financial Condition at December 31, 2018 and December 31, 2017

Total Assets. Total assets were $188.8 million as of December 31, 2018, an increase of $16.9 million, or 9.8% when compared to total assets of $172.0 million at December 31, 2017. The increase was due primarily to a $6.5 million increase in securities available for sale and an $18.0 million increase in loans - primarily commercial mortgages and commercial and industrial loans. The Bank borrowed an additional $5.0 million and added $3.7 million in deposits to fund the increase in assets.

Cash and Cash Equivalents. Cash and cash equivalents decreased $7.4 million, or 45.2%, to $9.0 million at December 31, 2018 from $16.5 million at December 31, 2017. The reduction in cash was due to the withdrawal of stock subscription funds held on account at SSB Bank for the purpose of purchasing SSB Bancorp, Inc. common stock in the Reorganization.

Net Loans. Net loans increased $18.0 million, or 12.8%, to $158.5 million at December 31, 2018 from $140.6 million at December 31, 2017. The change is primarily due to an increase in commercial real estate of $9.4 million, or 18.7%, to $59.5 million at December 31, 2018 from $50.1 million at December 31, 2017. Commercial and industrial loans increased $7.7 million, or 67.3%, to $19.2 million at December 31, 2018 from $11.5 million at December 31, 2017. One-to-four family mortgages remained relatively flat year over year. Consumer loans increased $1.4 million, or 34.6%, to $5.4 million at December 31, 2018 from $4.0 million at December 31, 2017.

During the year, the volumes in originations were as follows: $18.6 million in one- to four-family mortgages, an increase of $1.3 million over the $17.3 million originated in 2017; $12.0 million in commercial mortgages, a decrease of $12.8 million from the $24.8 originated in 2017; $9.0 million in construction loans, an increase of $2.6 million over the $6.4 million originated in 2017. Originations of commercial and industrial, and consumer loans increased $7.9 million as compared to the prior year.

Loans purchased during 2018 were $3.9 million in one-to-four family, a decrease of $2.8 million or 41.5% as compared to 2017; there were no commercial mortgages purchased in 2018 or 2017. Construction loans purchased were $1.9 million, a decrease of $3.6 million or 65.3% as compared to 2017. This decrease is due to our strategy to originate more loans as opposed to purchasing loans.

$12.6 million in loans that were reported as held for sale at December 31, 2016 were transferred to loans held for investment in 2017. SSB sold loans in the amount of $9.7 million, a decrease of $11.8 million or 55.0% as compared to $21.5 million in 2017. Most of the difference is due to a $6.9 million pool of seasoned loans sold in 2017.

The largest increase in our loan portfolio commercial and industrial loan portfolio. This growth reflects our strategy to invest in higher yielding adjustable rate loans to improve net margins and manage interest rate risk. We continue to sell selected, conforming 15-year and 30-year fixed rate mortgage loans to the Federal Home Loan Bank of Pittsburgh on a servicing retained basis through its mortgage purchase program.

Loans Held for Sale. There were no loans held for sale at December 31, 2018 or 2017. The loans that were held-for-sale at year end 2016 totaled $19.9 million. In June 2017, $6.9 million of one – to – four family mortgages were sold and the remaining held for sale portfolio was reclassified to held for investment. The decision to reclassify the loans as being held for investment was made as there was less demand for one-to-four family and commercial mortgage loans on the secondary market.

Available for Sale Securities. Available for sale securities decreased by approximately $6.5 million, or 246.6%, to $9.1 million at December 31, 2018 from $2.6 million at December 31, 2017. The increase is due to management efforts to increase liquidity through the purchase of available for sale securities. The increases were mostly due to a $3.3 million increase in mortgage-backed securities in government-sponsored entities and a $3.2 million increase in corporate bonds. There were slight decreases in obligations of state and political subdivisions and U.S. treasuries.

Deposits. Deposits increased $3.7 million, or 2.8%, to $136.1 million at December 31, 2018 from $132.4 million at December 31, 2017. Core deposits decreased $7.7 million, or 15.3%, to $43.0 million at December 31, 2018 from $50.7 million at December 31, 2017. The primary reason for the decrease was loss $10.1 million in Business Demand Deposits for the purpose of buying stock of SSB Bancorp in the offering completed in January 2018. Time deposits increased $11.4 million, or 14.0%, to $93.1 million at December 31, 2018 from $81.7 million at December 31, 2017. The increase in time deposits was primarily due to an increase in deposits obtained through brokers and listing services in order to fund the increase in loans and investments.

Stockholders' Equity. Stockholders' equity increased $8.2 or 67.8% to $20.3 million at December 31, 2018 from $12.1 million at December 31, 2017. The majority is due to $8.7 million in paid-in capital that was received as a result of the Reorganization completed in January 2018. Consolidated net Income was $380,000 for the year 2018, increasing retained earnings by 3.1%. This was partially offset by other comprehensive loss of $51,000 related to net changes in unrealized gains/losses in the available-for-sale securities portfolio as well as $837,000 in unearned employee stock ownership plan that did not exist at December 31, 2017.

Comparison of Results of Operations for the Years Ended December 31, 2018 and 2017

Net Income. Net income decreased $209,000, or 35.4%, to $380,000 for the year ended December 31, 2018 from $589,000 for the year ended December 31, 2017. This increase was due to a $971,000 increase, or 32.2%, in noninterest expense to $4.0 million for the year ended December 31, 2018 from $3.0 million for the year ended December 31, 2017. Noninterest income dropped by $67,000, or 12.7%, to $460,000 for the year ended December 31, 2018, from $527,000 for the year ended December 31, 2017. Offsetting these effects was an increase in net interest income of $211,000, or 5.4%, to $4.1 million for the year ended December 31, 2018, from $3.9 million for the year ended December 31, 2017.

Interest and Dividend Income. Interest and dividend income increased $795,000, or 12.8%, to $7.0 million for the year ended December 31, 2018 from $6.2 million for the year ended December 31, 2017. This increase was due to an increase of $624,000, or 10.4%, in interest on loans to $6.6 million for the year ended December 31, 2018, from $6.0 million for the year ended December 31, 2017. The increased interest is due to a $15.6 million increase in average total loans for the year ended December 31, 2018. Also, the weighted average yield on the loan portfolio was 4.41% for the year ended December 31, 2018 compared to 4.39% for the year ended December 31, 2017. Aside from loan growth, there was a $37,000 increase in income from interest-bearing deposits to $83,000 for the year ended December 31, 2018 from $46,000 for the year ended December 31, 2017. There was also a $143,000 increase in income from investment securities to $286,000 for the year ended December 31, 2018 from $144,000 for the year ended December 31, 2017. The increase in income from investment securities is due to the increase in the average investment securities of $1.9 million to $4.9 million for the year ended December 31, 2018, from $3.0 million for the year ended December 31, 2017. The average yield of the portfolio also increased to 2.82% for the year ended December 31, 2018, from 2.14% for the year ended December 31, 2017. These increases were slightly offset by a decrease in income from certificates of deposit of $8,000 to $15,000 for the year ended December 31, 2018 from $23,000 for the year ended December 31, 2017.

Average interest-earning assets increased $19.4 million, from $146.0 million for the year ended December 31, 2017 to $165.3 million for the year ended December 31, 2018, while the yield on the interest earning-assets increased 5 basis points, from 4.20% to 4.25% when comparing the two periods.

Interest Expense. Total interest expense increased $583,000, or 25.2%, to $2.9 million for the year ended December 31, 2018 from $2.3 million for the year ended December 31, 2017. Interest expense on deposit accounts increased $427,000, or 24.1%, to $2.2 million for the year ended December 31, 2018 from $1.8 million for the year ended December 31, 2017. The increase was primarily due to an increase in the average balance of interest-bearing deposits from $115.4 million for the year ended December 31, 2017 to $119.8 million for the year ended December 31, 2018; an increase of $4.4 million or 3.8%. This was accompanied by a 30 basis point increase in the weighted average cost from 1.54% to 1.84%. There was a reclassification of a business checking account type from interest-bearing demand accounts to noninterest-bearing demand accounts. At year end, the amount reclassed from interest-bearing demand to noninterest-bearing demand totaled $8.7 million.

Interest expense on Federal Home Loan Bank advances increased $156,000, or 28.7%, to $700,000 for the year ended December 31, 2018 from $544,000 for the year ended December 31, 2017. The average balance increased from $25.5 million to $28.4 million when comparing the two periods. The increase in the average balance of advances is due to management utilizing advances as a funding source for loan originations and investment purchases. The cost of the advances also increased by 34 basis points from 2.13% for the year ended December 31, 2017, to 2.47% for the year ended December 31, 2018.

Net Interest Income. Net interest income increased $211,000, or 5.4%, to $4.1 million for the year ended December 31, 2018 from $3.9 million for the year ended December 31, 2017. This increase was due to an increase in our average net loans of $15.6 million to $150.4 million for the year ended December 31, 2018, from $134.8 million for year ended December 31, 2017. Average interest earning assets increased by $19.4 million when comparing the two periods, while average interest-bearing liabilities increased by only $7.2 million ($12.4 million without the reclassification noted above) over the same two periods. Offsetting this increase, the yield of interest earning assets increased by 5 basis points when comparing the two periods, while the cost of interest-bearing liabilities increased by 32 basis points over the two periods.

Provision for Loan Losses. Based on management's analysis of the allowance for loan losses, we recorded a provision for loan losses of $150,000 for the year ended December 31, 2018 compared to a provision of $247,000 for the year ended December 31, 2017. The decrease in the provision for the year ended December 31, 2018 was primarily due to changes in FAS 5 qualitative factors used when calculating the allowance for loan losses.

Non-Interest Income. Non-interest income decreased $67,000 to $460,000 for the year ended December 31, 2018 compared to $527,000 for the year ended December 31, 2017. Gains on the sale of loans decreased by $165,000 to $182,000 for the year ended December 31, 2018 from $348,000 for the year ended December 31, 2017. Offsetting this decrease was an increase in loan servicing fees of $47,000, or 48.4%, to $143,000 for the year ended December 31, 2018 from $97,000 for the year ended December 31, 2017, reflecting sales of loans with servicing rights retained. Earnings on bank-owned life insurance increased by $19,000 and other noninterest income increased by $34,000 further offsetting the decrease in gain on sale of loans.

Non-Interest Expense. Non-interest expense increased $970,000, or 32.2%, to $4.0 million for the year ended December 31, 2018 from $3.0 for the year ended December 31, 2017. The increase was due primarily to a $341,000 or 94.9% increase in professional fees, a $281,000 or 19.3% increase in salary and employee benefits, a 114,000 or 43.6% increase in occupancy, a $53,000 or 60.1% increase in director fees, a $51,000 or 18.0% increase in data processing a $31,000 or 24.5% increase in federal deposit insurance, a $15,000 or 27.5% increase contributions and donations, and an $85,000 increase in other noninterest expenses. Noninterest expense has been driven up by additional costs associated with the growth of the institution.

Income Taxes. The income tax provision decreased by $521,000, or 89.2%, to $63,000 for the year ended December 31, 2018 from $584,000 for the year ended December 31, 2017. The effective tax rate was 14.2% for the year ended December 31, 2018 and 49.8% for the year ended December 31, 2017. The decrease in tax expense was primarily due to the Tax Cuts and Jobs Act which caused us to write down our net deferred tax asset by $203,000 as of the enactment date of December 22, 2017, as well as lowered the federal corporate tax rate in 2018. Additionally, the decrease in net income for the year ended December 31, 2018, when compared to the year ended December 31, 2017, contributed to the decrease in income taxes.

Revision of Prior Period Financial Statements

During the 4th quarter of 2018, the Company identified and corrected an error related to its accounting treatment of accrued interest on investor sold loans and loan participations affecting 2nd and 3rd quarters of 2018. Prior period accrued interest receivable accounts were overstated at June 30, 2018, and September 30, 2018, by $140,000 and $335,000, respectively. The Company was able to identify the sources of the issues and it resulted in the Company correcting interest income and provision for income taxes for the 2nd and 3rd quarters of 2018. On the corresponding balance sheet, the Company's accrued interest receivable and income taxes receivable was understated. The net effect was an overstatement of total assets and total liabilities and stockholders' equity at June 30, 2018 and September 30, 2018.

The Company has evaluated the effects of this error and concluded that they are immaterial to the two quarters affected. Since the errors happened in the 2nd and 3rd quarters of 2018, the Company has revised its financial statements as of and for the six months and three months ended June 30, 2018 and as of and for the nine months and three months ended September 30, 2018. The tables below show the originally reported and revised income and balance sheet information.

	At or For the Three Months Ended June 30, 2018	
	As Reported	As Revised
	(In thousands)	
Statement of income information:		
Interest income from loans, including fees	$ 1,719	$ 1,519
Total interest income	$ 1,799	$ 1,598
Net interest income	$ 1,138	$ 938
Net interest income after provision for loan losses	$ 1,113	$ 913
Income before income taxes	$ 248	$ 47
Provision (benefit) for income taxes	$ 34	$ (25)
Net income	$ 214	$ 72
Balance sheet information:		
Accrued interest receivable	$ 612	$ 472
Other assets	$ 844	$ 908
Total assets	$ 172,583	$ 172,511
Retained earnings	$ 12,396	$ 12,254
Total net worth	$ 20,271	$ 20,129
Total liabilities and stockholders' equity	$ 172,583	$ 172,511
Book value per share (2,248,250 shares issued)	$ 9.02	$ 8.95

	At or For the Six Months Ended June 30, 2018	
	As Reported	As Revised
	(In thousands)	
Statement of income information:		
Interest income from loans, including fees	$ 3,288	$ 3,088
Total interest income	$ 3,434	$ 3,233
Net interest income	$ 2,150	$ 1,950
Net interest income after provision for loan losses	$ 2,085	$ 1,885
Income before income taxes	$ 305	$ 104
Provision (benefit) for income taxes	$ 44	$ (15)
Net income	$ 261	$ 119
Balance sheet information:		
Accrued interest receivable	$ 612	$ 472
Other assets	$ 844	$ 908
Total assets	$ 172,583	$ 172,511
Retained earnings	$ 12,396	$ 12,254
Total net worth	$ 20,271	$ 20,129
Total liabilities and stockholders' equity	$ 172,583	$ 172,511
Book value per share (2,248,250 shares issued)	$ 9.02	$ 8.95

	At or For the Three Months Ended September 30, 2018	
	As Reported	As Revised
	(In thousands)	
Statement of income information:		
Interest income from loans, including fees	$ 1,818	$ 1,683
Total interest income	$ 1,923	$ 1,788
Net interest income	$ 1,167	$ 1,033
Net interest income after provision for loan losses	$ 1,117	$ 983
Income before income taxes	$ 247	$ 113
Provision for income taxes	$ 58	$ 29
Net income	$ 189	$ 84
Balance sheet information:		
Accrued interest receivable	$ 892	$ 557
Other assets	$ 894	$ 981
Total assets	$ 183,770	$ 183,543
Retained earnings	$ 12,586	$ 12,338
Total net worth	$ 20,351	$ 20,103
Total liabilities and stockholders’ equity	$ 183,770	$ 183,543
Book value per share (2,248,250 shares issued)	$ 9.05	$ 8.94

	At or For the Nine Months Ended September 30, 2018	
	As Reported	As Revised
	(In thousands)	
Statement of income information:		
Interest income from loans, including fees	$ 5,106	$ 4,771
Total interest income	$ 5,356	$ 5,021
Net interest income	$ 3,318	$ 2,983
Net interest income after provision for loan losses	$ 3,203	$ 2,868
Income before income taxes	$ 552	$ 218
Provision for income taxes	$ 102	$ 15
Net income	$ 450	$ 203
Balance sheet information:		
Accrued interest receivable	$ 892	$ 557
Other assets	$ 894	$ 981
Total assets	$ 183,770	$ 183,543
Retained earnings	$ 12,586	$ 12,338
Total net worth	$ 20,351	$ 20,103
Total liabilities and stockholders’ equity	$ 183,770	$ 183,543
Book value per share (2,248,250 shares issued)	$ 9.05	$ 8.94

Average Balance Sheet

The following tables present information regarding average balances of assets and liabilities, the total dollar amounts of interest income from average interest-earning assets, the total dollar amounts of interest expense on average interest-bearing liabilities, and the resulting annualized average yields and costs. The yields and costs for the periods indicated are derived by dividing income or expense by the average balances of assets or liabilities, respectively, for the periods presented. Average balances have been calculated using daily balances. Nonaccrual loans are included in average balances only. Loan fees are included in interest income on loans and are not material. Yields on tax exempt investment securities are not presented on a tax equivalent basis. Any adjustments necessary to present such yields on a tax equivalent basis are insignificant.

	Year Ended December 31,					
	2018			2017		
	Average Balance	Interest and Dividends	Yield/Cost	Average Balance	Interest and Dividends	Yield/Cost
	(Dollars in thousands)					
Assets:						
Interest-bearing deposits	$ 6,770	$ 83	1.23%	$ 5,176	$ 46	0.90%
Net Loans and Loans Held for Sale (1)(5)(6)	150,377	6,634	4.41	134,799	5,915	4.39
Investment securities	4,866	137	2.82	2,992	64	2.14
Other interest-earning assets (2)	3,306	164	4.96	2,999	103	3.43
Total interest-earning assets	165,319	7,018	4.25	145,966	6,128	4.20
Non-interest-earning assets	10,588			8,688		
Total assets	$ 175,907			$ 154,654		
Liabilities and equity:						
Interest-bearing demand accounts	$ 7,211	$ 70	0.97	$ 13,717	$ 95	0.69
Money market accounts	14,581	200	1.37	14,374	137	0.95
Savings accounts	13,128	166	1.27	12,096	131	1.08
Certificate of deposit	84,852	1,764	2.08	75,208	1,409	1.87
Total interest-bearing deposits	119,772	2,200	1.84	115,395	1,772	1.54
Federal Home Loan Bank advances	28,355	700	2.47	25,531	544	2.13
Other interest-bearing liabilities						
Total interest-bearing liabilities	148,127	2,900	1.96	140,926	2,316	1.64
Non-interest-bearing deposits	7,161			368		
Other non-interest-bearing liabilities	917			1,315		
Total Liabilities	156,205			142,609		
Total net worth	19,702			12,045		
Total liabilitites and net worth	$ 175,907			$ 154,654		
Net interest income		4,118			3,812	
Add: Out-of-period recoveries of loan interest (1)		-			95	
Net interest income per Statements of Net Income		$ 4,118			$ 3,907	
Net Interest Earning Assets (3)	$ 17,192			$ 5,040		
Interest rate spread (4)			2.29%			2.56%
Net interest margin (5)			2.49%			2.61%
Average interest-earning assets to average interest-bearing liabilities			111.61%			103.58%

(1) Included in interest on loans and loans held for sale for the years ended December 31, 2018 and 2017 are loan fees of $67,000 and $62,000, respectively. Excluded from interest on loans and loans held for sale for the years ended December 31, 2017 are recoveries of interest on an impaired loan that relate to prior periods of $95,000.

(2) Dividends on FHLB stock are included in dividends on other interest-earning assets.

(3) Represents total average interest-earnings assets less total average interest-bearing liabilities.
(4) Represents the difference between the weighted-average yield on average interest-earning assets and the weighted-average cost of average interest-bearing liabilities.
(5) Represents net interest income, excluding out of period recoveries of loan interest, as a percent of average interest-earning assets.
(6) Loans do not include the allowance for loan losses.

Rate/Volume Analysis

The following table sets forth the effects of changing rates and volumes on net interest income. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on the changes due to rate and the changes due to volume. Changes exclude recoveries of loan interest amounts that relate to prior periods.

	Year Ended December 31, 2018 Compared to Year Ended December 31, 2017		
	Increase (Decrease) Due To		
	Volume	Rate	Net
	(In thousands)		
Interest income:			
Interest-bearing deposits	$ 14	$ 23	$ 37
Loans receivable	687	32	719
Investment securities	40	33	73
Other interest-earning assets	11	50	61
Total interest-earning assets	$ 752	$ 138	$ 890
Interest expense:			
Deposits	$ 147	$ 281	$ 428
Federal Home Loan Bank advances	60	96	156
Total interest-bearing liabilities	$ 207	$ 377	$ 584
Net increase (decrease) in net interest income	$ 545	$ (239)	$ 306

Management of Market Risk

General. Our most significant form of market risk is interest rate risk because, as a financial institution, the majority of our assets and liabilities are sensitive to changes in interest rates. Therefore, a principal part of our operations is to manage interest rate risk and limit the exposure of our financial condition and results of operations to changes in market interest rates. Our Asset/Liability Management Committee is responsible for evaluating the interest rate risk inherent in our assets and liabilities, for determining the level of risk that is appropriate, given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the policy and guidelines approved by our board of directors. We currently utilize a third-party modeling program, prepared on a quarterly basis, to evaluate our sensitivity to changing interest rates, given our business strategy, operating environment, capital, liquidity and performance objectives, and for managing this risk consistent with the guidelines approved by the board of directors.

Our interest rate risk profile is considered liability-sensitive, which means that if interest rates rise our deposits and other interest-bearing liabilities would be expected to reprice to higher interest rates faster than would our loans and other interest-earning assets. We have sought to manage our interest rate risk in order to minimize the exposure of our earnings and capital to changes in interest rates. In recent years, we have implemented the following strategies to manage our interest rate risk:

- increasing lower cost core deposits and limiting our reliance on higher cost funding sources, such as time deposits; and
- diversifying our loan portfolio by adding more commercial-related loans, which typically have shorter maturities and/or balloon payments, and selling one- to four-family residential mortgage loans, which have fixed interest rates and longer terms.

By following these strategies, we believe that we are better positioned to react to increases in market interest rates.

We do not engage in hedging activities, such as engaging in futures, options or swap transactions, or investing in high-risk mortgage derivatives, such as collateralized mortgage obligation residual interests, real estate mortgage investment conduit residual interests or stripped mortgage backed securities.

Economic Value of Equity. We analyze our sensitivity to changes in interest rates through an economic value of equity ("EVE") model. EVE represents the difference between the present value of assets and the present value of liabilities. The EVE ratio represents the dollar amount of our EVE divided by the present value of our total assets for a given interest rate scenario. EVE attempts to quantify our economic value using a discounted cash flow methodology while the EVE ratio reflects that value as a form of capital ratio. We estimate what our EVE would be at a specific date. We then calculate what the EVE would be at the same date throughout a series of interest rate scenarios representing immediate and permanent, parallel shifts in the yield curve. We currently calculate EVE under the assumptions that interest rates increase 100, 200, 300 and 400 basis points from current market rates and that interest rates decrease 100 basis points from current market rates.

The following table presents the estimated changes in our EVE that would result from changes in market interest rates at December 31, 2018. All estimated changes presented in the table are within the policy limits approved by our board of trustees.

		Estimated Increase (Decrease) in EVE		**EVE as Percent of Economic Value of Assets**	
Basis Point ("bp") Change in Interest Rates (1)	**Estimated EVE**	**Dollar Change**	**Percent Change**	**EVE Ratio (2)**	**Change**
		(Dollars in thousands)			
+400bp	$ 13,278	$ (8,147)	(38.03)%	7.96%	(3.35)%
+300bp	14,907	(6,518)	(30.42)%	8.68%	(2.64)%
+200bp	17,067	(4,358)	(20.34)%	9.62%	(1.70)%
+100bp	19,378	(2,047)	(9.55)%	10.57%	(0.75)%
0	21,425	-	0.00%	11.32%	0.00%
-100bp	21,930	505	2.36%	11.33%	0.02%

(1) Assumes instantaneous parallel changes in interest rates.
(2) EVE ratio represents the EVE divided by the economic value of assets.

Certain shortcomings are inherent in the methodologies used in the above interest rate risk measurements. Modeling changes requires making certain assumptions that may or may not reflect the manner in which actual yields and costs respond to changes in market interest rates. The above table assumes that the composition of our interest-sensitive assets and liabilities existing at the date indicated remains constant uniformly across the yield curve regardless of the duration or repricing of specific assets and liabilities. Accordingly, although the table provides an indication of our interest rate risk exposure at a particular point in time, such measurements are not intended to and do not provide a precise forecast of the effect of changes in market interest rates on our EVE and will differ from actual results.

Liquidity and Capital Resources

Liquidity. Liquidity is the ability to meet current and future financial obligations of a short-term nature that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of our customers and to fund investing activities and current and planned expenditures. Our primary sources of funds are deposits, principal and interest payments on loans and securities, proceeds from the sale of loans, and advances from the Federal Home Loan Bank of Pittsburgh. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and loan prepayments are greatly influenced by general interest rates, economic conditions, and competition. Our most liquid assets are cash and short-term investments including interest-bearing deposits in other financial institutions. The levels of these assets are dependent on our operating, financing, lending, and investing activities during any given period. At December 31, 2018, we had $9.0 million of cash and cash equivalents and we had $31.4 million in outstanding borrowings from the Federal Home Loan Bank of Pittsburgh with $91.9 million of available borrowing capacity.

At December 31, 2018, we had $12.6 million of loan commitments outstanding, which includes $3.7 million of undisbursed construction funds, and $6.0 million of unused lines of credit. We have no other material commitments or demands that are likely to affect our liquidity. If loan demand was to increase faster than expected, or any unforeseen demand or commitment was to occur, we could access our borrowing capacity with the Federal Home Loan Bank of Pittsburgh.

Time deposits due within one year of December 31, 2018 totaled $31.3 million. If these deposits do not remain with us, we will be required to seek other sources of funds, including other time deposits and Federal Home Loan Bank of Pittsburgh advances. Depending on market conditions, we may be required to pay higher rates on such deposits or other borrowings than we paid on time deposits at December 31, 2018. We believe, however, based on past experience that a significant portion of our time deposits will remain with us. We have the ability to attract and retain deposits by adjusting the interest rates offered.

SSB Bancorp, Inc. is a separate legal entity from SSB Bank and must provide for its own liquidity to pay any dividends to its stockholders and for other corporate purposes. SSB Bancorp, Inc.'s primary source of liquidity is dividend payments it may receive from SSB Bank. SSB Bank's ability to pay dividends to SSB Bancorp, Inc. is governed by applicable laws and regulations. At December 31, 2018, SSB Bancorp, Inc. (on an unconsolidated basis) had liquid assets of $3.5 million.

Capital Resources. At December 31, 2018, SSB Bank exceeded all regulatory capital requirements and it was categorized as "well capitalized." We are not aware of any conditions or events since the most recent notification that would change our category. See Note 13 of the financial statements for additional information.

Off-Balance Sheet Arrangements

We are a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of our customers. These financial instruments include commitments to extend credit and unused lines of credit, which involve elements of credit and interest rate risk in excess of the amount recognized in the balance sheets. Our exposure to credit loss is represented by the contractual amount of the instruments. We use the same credit policies in making commitments as we do for on-balance sheet instruments. See Note 15 to the financial statements for additional information.

Recent Accounting Pronouncements

Refer to Note 2 of the Notes to Financial Statements for a description of recent accounting pronouncements that may affect our financial condition and results of operations.

Impact of Inflation and Changing Price

The financial statements and related data presented herein have been prepared in accordance with U.S. GAAP, which requires the measurement of financial position and operating results in terms of historical dollars without considering changes in the relative purchasing power of money over time due to inflation. The primary impact of inflation on our operations is reflected in increased operating costs. Unlike most industrial companies, virtually all of the assets and liabilities of a financial institution are monetary in nature. As a result, interest rates, generally, have a more significant impact on a financial institution's performance than does inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

SSB BANCORP, INC.

Date: June 25, 2019

By: */s/ J. Daniel Moon, IV*
J. Daniel Moon, IV
President and Chief Executive Officer
(Duly Authorized Representative)